

**For:** State and County Offices, LSA's, and CMA's

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**Interim and Long-Term Loan-Cotton Transfer Processes**

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**Approved by:** Deputy Administrator, Farm Programs



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**1 Overview**

**A Background**

On January 16, 2007, FSA announced an interim process for transferring CCC loan cotton collateral from one warehouse to another. The announcement was posted to the Price Support Division website at <http://www.fsa.usda.gov/FSA/webapp?area=home&subject=prsu&topic=landing>.

This interim process is scheduled to be replaced in early March 2007 by a process that:

- is more fully supported by CCC loan software
- will provide County Offices, CMA's, and LSA's with notification of bales approved for transfer.

**B Purpose**

This notice:

- informs State and County Offices, CMA's, and LSA's of the interim and long-term processes and their responsibilities related to relocations of loan cotton that may occur under these processes
- instructs County Offices to immediately suspend error-code corrections for all loan bales until further notice so that all loan bales remain available for the interim transfer process.

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Disposal Date	Distribution
January 1, 2008	State Offices; State Offices relay to County Offices, CMA's and LSA's

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### 1 Overview (Continued)

#### C Contact

For questions or information about this notice State Offices shall contact either of the following PSD employees:

- Gene Rosera by either of the following:
  - e-mail to [gene.rosera@wdc.usda.gov](mailto:gene.rosera@wdc.usda.gov)
  - telephone at 202-720-8481
- Julie Floriani by either of the following:
  - e-mail to [julie.floriani@wdc.usda.gov](mailto:julie.floriani@wdc.usda.gov)
  - telephone at 202-720-8374.

### 2 Explanation of Interim and Permanent Transfer Processes

#### A Comparison of Interim and Permanent Transfer Processes

Provisions of the interim and long-term transfer processes are compared in the following table:

Provision	Interim	Permanent
Availability Period for Process	Announced January 16 but available starting January 22. Will be used only until the permanent process is established.  Transfers approved but not completed under this process will likely be migrated to the permanent process for completion.	Target date for implementation is early March 2007.
Forms	Transfer agreement, CCC-699C must be endorsed by requestor and submitted to KCCO as pre-condition for approval.  County Office shall <b>not accept</b> CCC-699C or related documents.	Same.  County Office shall <b>not accept</b> CCC-699C or related documents.
Initial Action	Requestor submits CCC-699C with attachment and an electronic shipping order file to KCCO.	Requestor submits CCC-699C with attachment to KCCO for approval; the corresponding electronic shipping order file is sent to an EWR Provider.

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### 2 Explanation of Interim and Permanent Transfer Processes (Continued)

#### A Comparison of Interim and Permanent Transfer Processes (Continued)

Provision	Interim	Permanent
Notification to County Office, CMA, or LSA of bales identified for transfer	No provision	COPS will generate e-mail notification of all bales approved for transfer after bales have passed eligibility validations.
County Office Loan-bale Error Corrections	Suspended effective immediately until further notice.	Bales must be error free to be approved for transfer.
CMA or LSA Loan-bale error corrections	Only submit "X" transactions. Do <b>not</b> submit "T" transactions.	Bales must be error free to be approved for transfer.
County Office/CMA and LSA responsibilities for processing the loan redemption for transfer bales	No change from current process.	No change from current process, but advance notification of transfer bales to be filed in loan folder; correction of bale errors to be addressed by future instructions.
Requestor may select for transfer partial bales under one loan	Permitted	Permitted
Redemption or lock-in of redemption rate during the period when cotton is not represented by EWR	No	No, but under consideration.
Subsequent agent designation after transfer.	No	No, but under consideration.

#### B Transfer Process Diagrams

The sequence of events and file transfers under transfer processes are provided in:

- Exhibit 1 for the interim transfer process
- Exhibit 2 for the long-term transfer process.

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### 4 Action

#### A State and County Office Action

FSA State and County Office staff shall:

- print the announcement provided at the PSD website and make copies available to any interested parties

**Note:** A fact-sheet and press release are **not** planned for this interim process because of the short period of use.

- familiarize themselves with the general terms of the interim process
- suspend all corrections of error codes for loan bales until further notice.

#### B When Notified of Transferred Bales

Under the long-term transfer process, County Offices will be notified by e-mail of transferred loan bales. The County Office shall reject any requests for cash redemptions submitted at the County Office for transferred bales. Transferred bales placed under loan by the County Office must be redeemed through CCR only, and these repayments are processed in the normal manner.

Under the interim process, County Offices will not be informed of transferred bales.

## Diagram of Interim Process

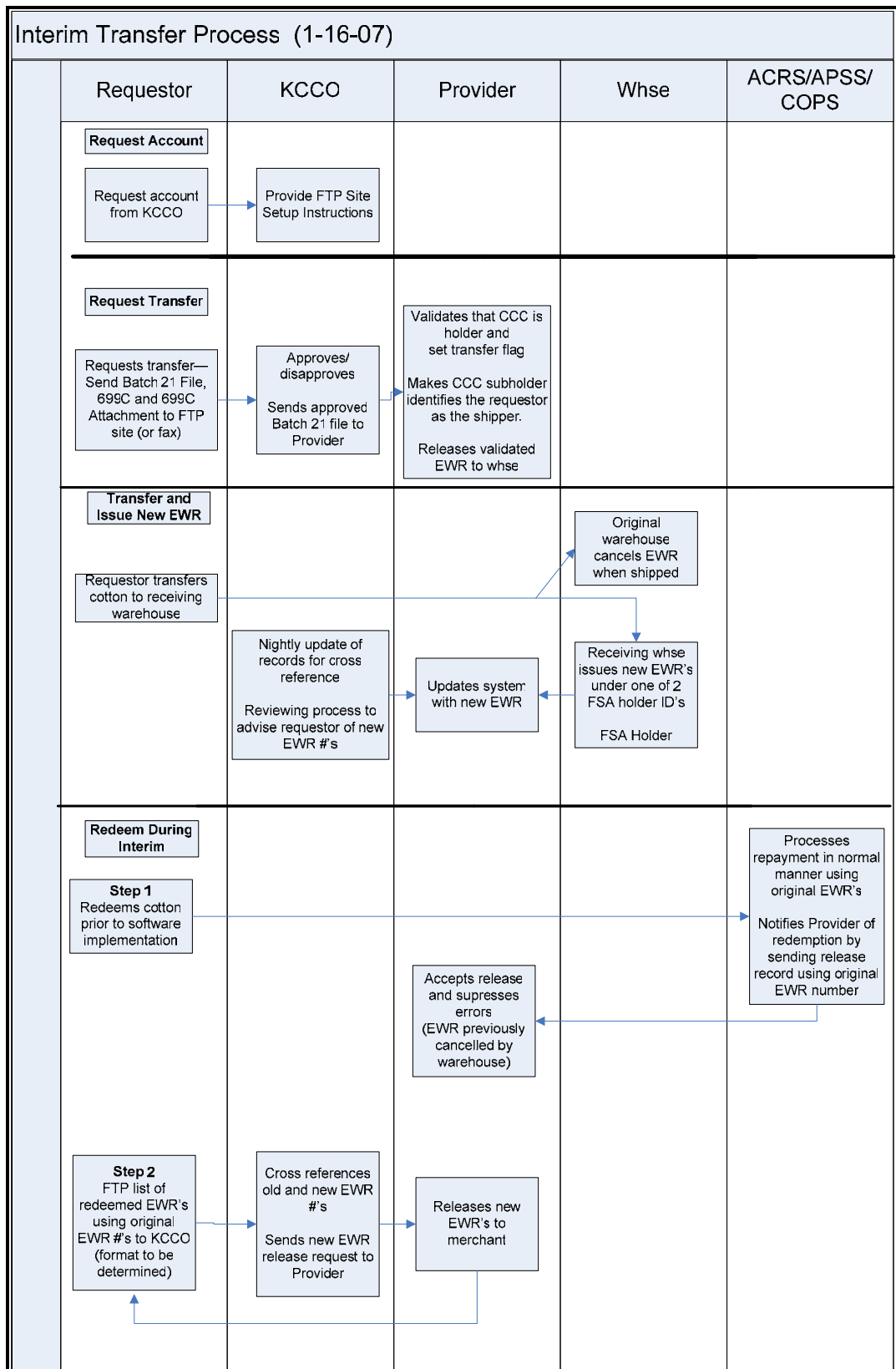


Diagram of Long-Term Process

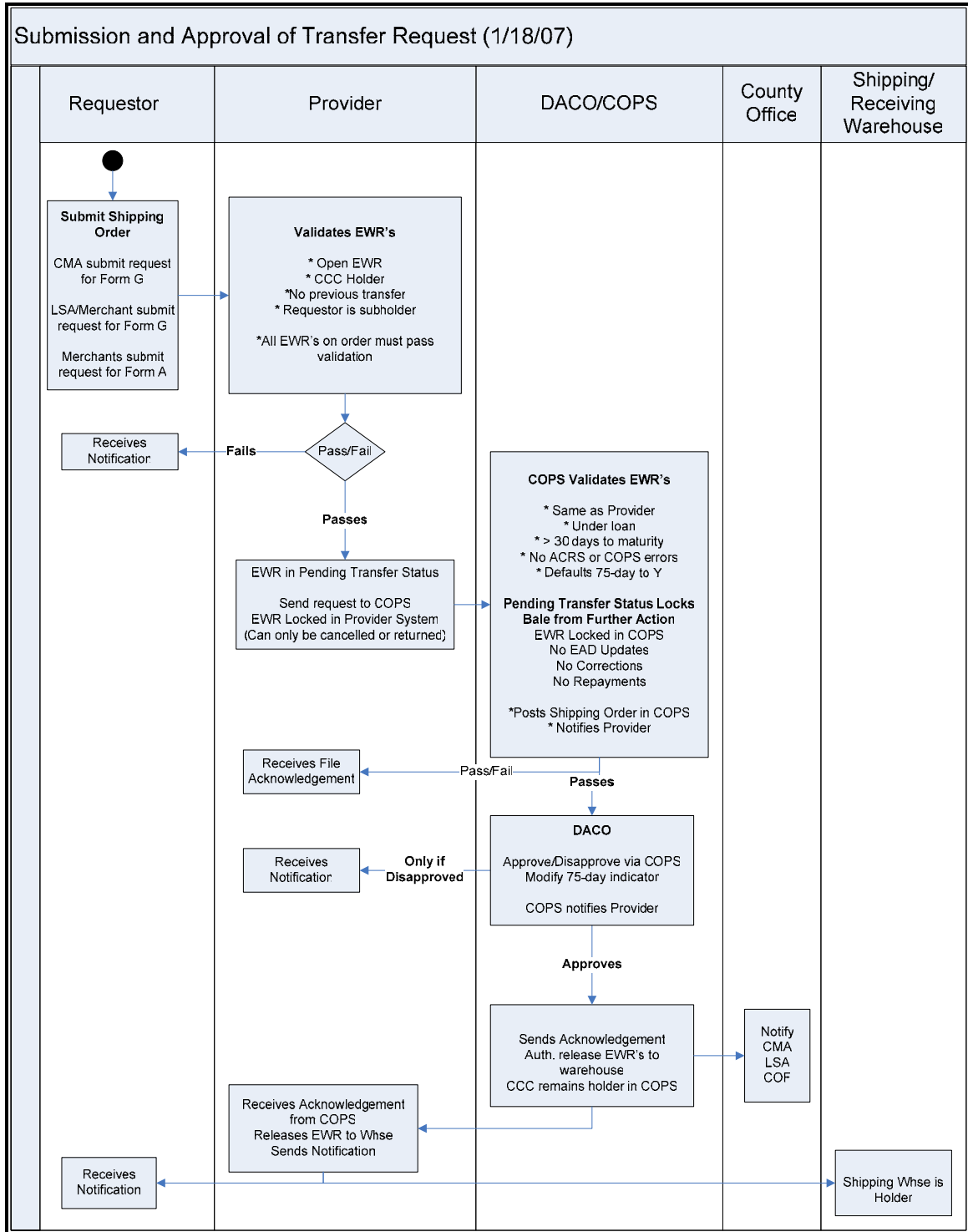


Diagram of Long-Term Process (Continued)

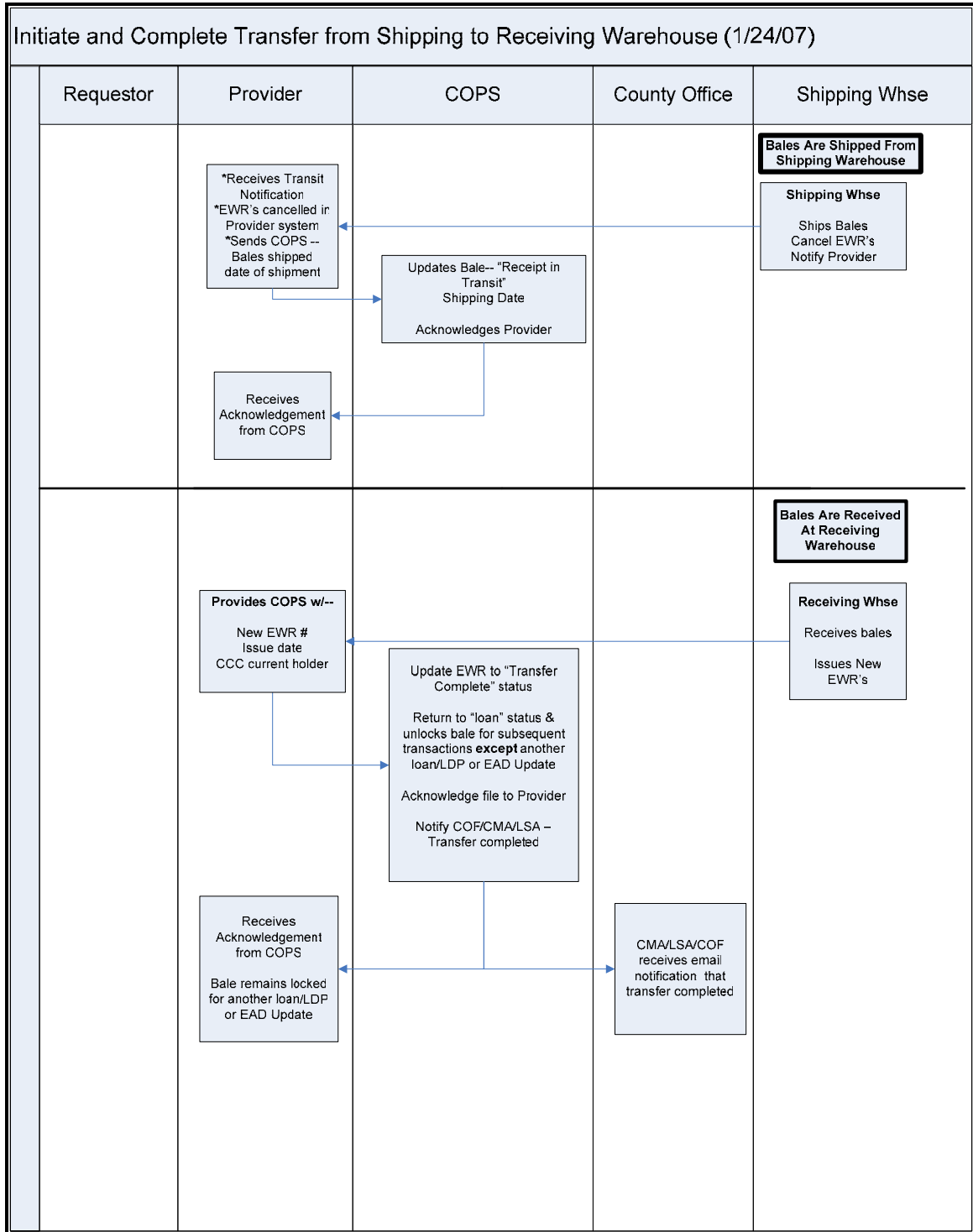


Diagram of Long-Term Process (Continued)

